

## Article - Business Regulation

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§14–203.

- (a) This subtitle applies to an offer to sell or sale of a franchise if:
  - (1) the franchisee must pay a franchise fee of more than \$100; and
  - (2)
    - (i) the offeree or franchisee is a resident of the State;
    - (ii) the franchised business will be or is operated in the State;
    - (iii) the offer to sell is made in the State; or
    - (iv) the offer to buy is accepted in the State.
- (b)
  - (1) For purposes of this section, an offer to sell is made in the State if the offer:
    - (i) originates from the State; or
    - (ii) is directed by the offeror to the State and is received at the place to which it is directed.
  - (2) For purposes of this section, an offer to sell is not made in the State only because the franchisor circulates or there is circulated on the franchisor's behalf in the State an advertisement in:
    - (i) a newspaper or other publication of general, regular, and paid circulation that has had two-thirds of its circulation outside the State during the past 12 months; or
    - (ii) a radio or television broadcast that originates outside the State and is received in the State.
  - (3) For purposes of this section, an offer to buy is accepted in the State when acceptance is communicated to the offeror in the State.
  - (4) For purposes of this section, acceptance is communicated to the offeror in the State when:

(i) the offeree directs acceptance to the offeror in the State reasonably believing the offeror to be in the State; and

(ii) the acceptance is received at the place to which it is directed.

(c) This subtitle does not apply to the renewal or extension of an existing franchise if there is no interruption in the operation of the franchised business.

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